



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

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5/017/048

April 22, 2005

Burningham Enterprises
95 North 200 East
American Fork, UT 84003

RECEIVED

APR 25 2005

DIV OF OIL GAS & MINING

RE: ML 49699-MP Notice of Intent

Dear Permittee:

Paragraph 13 of the terms and conditions of ML 49699-MP require a 60 day notification to the Trust Lands Administration and a plan of operations approved by this office before any work may occur upon the permitted lands. Prior to commencing any operations upon the permitted lands the Permittee must obtain an approved plan of operations from the Permittor. Commencement of mining operations upon trust lands without first obtaining a SITLA approved plan of operations constitutes a trespass of the lands and may subject the permit to cancellation.

I am writing to caution you because I am advised that you recently filed a notice of intent with the Division of Oil, Gas & Mining to commence Small Mine operations upon the lands within ML 49699-MP. Please be advised that such notice of intent filed with DOGM **does not** satisfy the notification requirements of SITLA as contained in the permit.

Your notification filed with DOGM lacks adequate detail and commitment for the purposes of SITLA. A few comments on your DOGM notification are as follows.

1. ML 49699-MP does not include all of the lands described in the DOGM notification. The permit includes only 40-acres described as SE4SW4, Section 6, T37S, R5W, SLB&M. No operations may be approved for lands that are not included in the permit.
2. It is not acceptable to SITLA for the operator to pile Pinyon Juniper trees that cut or uprooted by the mining operations into a berm. The trees must be cut up and hauled away or buried on site to reduce fire hazards and mitigate visual blight.
3. The mining-highwall must be reclaimed to a slope of not greater than 1V:2H and the slope must be reseeded at the conclusion of mining operations. You may wish to conduct mining in a manner to help facilitate this process. Hatch is considered by many to be a "Scenic Area" and the surface land values must be preserved by mitigating the mining disturbance as much as possible.

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4. The 60 foot access road proposed for construction into the mine site must be reclaimed at the conclusion of operations. Also, improvements to widen the County road must be pre-approved by Garfield County and must be reclaimed back to the present width of the County road (10 to 15 feet wide) at the conclusion of operations. During operations the operator must maintain the country road open for access by other land users and landowners in the area.
5. The permittee must obtain an air quality permit from the Division of Environmental Quality. Dust pollution from mining and materials processing operations and from travel on the access roads must be controlled through watering or other equally effective mitigation techniques.
6. Rock blasting at the mine site must be controlled to minimize seismic impacts on neighboring structures. This may be accomplished through using smaller explosives charges or using explosives that are designed to directionally control the impact. The permittee may be liable for any mining induced seismicity damages to neighboring homes and structures.
7. The permittee or contract hauler must obtain any UDOT permits that may be necessary for ingress or egress of highway 89 by the haul-trucks that are used in the operations.
8. Effective berms must be placed to prevent any clays, soils or other materials from running off the site. You must ensure that there is no possible contamination by the mining operations to nearby Mammoth Creek or to any other perennial or intermittent stream channel that may be located in the vicinity.
9. The map submitted to DOGM is not of adequate detail. It fails to reference the location of the mine site with respect any legal survey markers or land subdivisions. Also, roads, highways and drainages are not adequately labeled, numbered or shown on the map.
10. The equipment to be hauled into and used at the site must be listed and described. Also, the storage, use and disposal of explosives, fuels, lubricants and solid waste must be discussed.

Please submit a mining notice of intent to SITLA as required by Paragraph 13 of the terms and conditions of ML 49699-MP. Your notice of intent must address all of the issues mentioned above. Also, the bond stipulated by DOGM may be inadequate for purposes of SITLA. Please submit a copy of the detailed bond calculation prepared by DOGM.

Please call me if you have any questions in this matter.

Sincerely,



John T. Blake
Mineral Resources Specialist

CC: Susan White ✓